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1 PURPOSE

- 1.1 This policy outlines how expenses will be managed across CQUniversity.

2 SCOPE

- 2.1 This policy applies to all incurring, recording or approving expenses on behalf of CQUniversity in accordance with the [Delegation of Authority Policy](#), including:
- employees
 - contractors, and
 - students.

3 POLICY STATEMENT

- 3.1 This policy contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) by ensuring the existence of an effective expense management system that ensures the payment of expenditure is a reasonable, appropriate and approved use of University funds and compliant with statutory and regulatory requirements.
- 3.2 The [Financial Management Practice Manual](#) (FMPM) is the University's financial management framework. This policy forms part of, and must be read in conjunction with, the FMPM.

Recognition of expenditure

- 3.3 The University recognises expenditure in the operating statement in determining the overall result for each reporting period. In accordance with the Australian Accounting Standards Board's (AASB) [Framework for the Preparation and Presentation of Financial Statements](#), expenditure will only be recognised when a decrease in future economic benefits that is related to a decrease in an asset or an increase to a liability has arisen, and that these benefits can be measured reliably.

- 3.4 In circumstances where the decrease in future economic benefits can be identified immediately, or soon after acquisition, the expenditure will be recorded in the operating statement immediately. Examples of such expenditure includes the:
- payment of salaries and wages costs
 - purchase of portable and attractive items, and
 - the payment of expenses relating to day-to-day operations.
- 3.5 In circumstances where the decrease in future economic benefits is expected to occur over several accounting periods, the expenditure will be recognised on the basis of systematic and rational allocation procedures. Examples of such expenditure include the depreciation of property, plant and equipment.

Categories of expenditure

- 3.6 The expenditure of the University falls into three broad categories:
- salaries and wages costs associated with employment, e.g. wages, superannuation, payroll tax, WorkCover, etc
 - expenditure on capital items, e.g. buildings, motor vehicles and portable and attractive items such as computers, iPads, iPhones and specialist laboratory equipment, and
 - expenditure relating to the day-to-day operations of the University, e.g. electricity, telephone, stationery.
- 3.7 In determining when each category of expenditure will be recognised in the operating statement, the principles of expenditure recognition as identified above will be applied.

Accrued expenditure

- 3.8 To ensure the accurate reflection of the activities of the reporting period in the University's financial statements and internal management reports, the University will report expenditure on an accrual basis.
- 3.9 The necessary expenditure accrual journals will be prepared and processed through the Finance Management System before the close of each reporting period to ensure that where appropriate, transactions are matched to the accounting period in which they are incurred.
- 3.10 In preparing the accrual expenditure journals, outstanding invoices for goods and services that have been received will be taken into account.

Goods receipt and payment

- 3.11 Only goods or services that have been incurred in the name of the University, or its affiliates, for legitimate and lawful purposes will be authorised for payment. All employees should be familiar with the [Procurement Policy and Procedure](#) prior to making a commitment for payment on behalf of the University. Instructions for receipting and payment of goods and services through the Finance Management System can be found on the University [Moodle](#) site. Employees should also refer to the [Corporate Credit Card Procedure](#) for payments under \$3,000. All financial delegation approvals must be in accordance with the [Delegation of Authority Policy](#).
- 3.12 When approving an invoice or purchase order for payment, the onus is on the authorising officer to ensure that they have necessary financial delegation for both the type of payment and costing being used.
- 3.13 Accounts Payable have processes to ensure that all invoices are paid within the University's payment terms, unless specific payment terms have been negotiated with the creditor in accordance with the [Procurement Policy and Procedure](#).

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Vice-President (Student and Corporate Services) and Deputy Director Financial Accounting and Operations are responsible for implementing, monitoring, reviewing and ensuring compliance this policy.
- 4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.3 No additional reporting is required.

Records management

- 4.4 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.5 University records must be retained for the minimum periods specified in the University Sector Retention and Disposal Schedule on the [Queensland State Archives website](#). Before disposing of any records, approval must be sought through the Records Management Office (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

6 RELATED LEGISLATION AND DOCUMENTS

[AASB101 \(NFP\) Presentation of Financial Statements](#)

[Corporate Credit Card Procedure](#)

[Delegation of Authority Policy](#)

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Financial Management Practice Manual](#)

[Framework for the Preparation and Presentation of Financial Statements](#)

[Procurement Policy and Procedure](#)

7 FEEDBACK

- 7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Audit, Risk and Finance Committee
Advisory Committee	N/A
Administrator	Vice-President (Student and Corporate Services)
Next Review Date	04/08/2023

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Notes	This document was formerly known as the Expenditure Policy (FMPM) (13/02/2020).